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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

February 12, 1993

Ms. Donna Searcy
Secretary of Federal
Communications Commission
1919 M Street, NW
Washington, DC 20054

Re: Redevelopment of Spectrum for Emerging Technologies ET
Docket No. 92-9.

Dear Ms. Searcy:

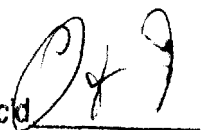
Transmitted herewith on behalf of Telephone and Data Systems, Inc. are an original and nine copies of its Reply Comments in the above-captioned proceeding.

In the event that there are any questions concerning this matter. please communicate with the undersigned.

Very truly yours,


George Y. Wheeler

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEB 12 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Redevelopment of Spectrum to)
Encourage Innovation in the)
Use of New Telecommunications)
Technologies)

ET Docket No. 92-9
RM-7981, RM-8004

To: The Commission

REPLY COMMENTS OF
TELEPHONE AND DATA SYSTEMS, INC.

Telephone and Data Systems, Inc., on behalf of itself and its subsidiaries (collectively "TDS"), by its attorneys, submits its Reply Comments in response to the Commission's First Report and Order and Third Notice of Proposed Rulemaking in the above-captioned proceeding.

Our Reply Comments address three aspects of the Commission's proposals the need for specified transition time periods to protect against disruptive involuntary relocations, guidelines for emerging technology licensees to furnish "comparable" replacement facilities and tax incentives for the voluntary relocation of incumbent microwave systems. We request that the Commission adopt the proposals described here to promote timely and non-disruptive voluntary relocations of incumbent microwave systems.

DISCUSSION

1. The Commission Should Specify Transition Time Periods To Protect Against Disruptive Involuntary Relocations.

We believe that the facilities of incumbent microwave licensees should maintain primary status for a minimum of ten years or a minimum of two years after the licensee of an emerging technology system in the operating area of the incumbent microwave system involved requests relocation, whichever period is longer. A significant number of the commenters agree with this general approach although they differ on the details.¹ We think that the adoption of our proposed transition period procedures gives appropriate recognition to the critical need for voluntary agreements to promote timely relocation and will help avoid impairment and disruption to the existing operations of incumbent microwave licensees.

¹ For example, see Comments of Northwest Iowa Power Cooperative, p. 2, Comments of Southwestern Bell Corporation, p. 5 and 11, and Comments of Southern Natural Gas, pp. 2-3.

2. The Commission Should Request Technical Standards/
Industry Groups To Develop Criteria For Demonstrating The
Comparability Of Replacement Systems To The Existing Micro-
wave Systems Proposed To Be Replaced.

We support the proposal of GTE Service Corporation for the Commission to request "technical standards or other industry groups to establish acceptance criteria."² This is an area in which the "consensus" judgements of experts regarding the appropriate factors to be evaluated could provide invaluable guidance both in voluntary negotiations and in the evaluation of disputes.

Here as above, we believe that the emphasis of the Commission's new rules and policies should be upon encouraging voluntary relocations. Developing thoughtful and comprehensive guidelines for evaluating "comparability" based upon practical technical experience will help, particularly if those guidelines reflect the judgements of a recognized body of industry experts.

3. We Support Use Of Tax Certificates As An Additional
Incentive To Promote Relocations.

We agree with Commissioner Barrett's observation that "...the Commission should provide all incentives possible" to promote an efficient transition.³ We believe these incentives should include recognition of the potential benefits of tax

² Comments of GTE Service Corporation, p. 7

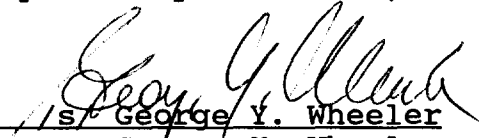
³ Separate Statement of Commissioner Andrew C. Barrett dated September 17, 1993.

certificates. The additional taxes which an incumbent microwave licensee would be obligated to pay on the amount by which the compensation received exceeds the tax basis of the facilities being replaced could be a significant factor in relocation negotiations. Use of tax certificates would help to diminish such cost considerations from impeding agreement on voluntary transition arrangements.

CONCLUSION

We request that the Commission adopt the proposals described here in the interest of promoting voluntary relocations and protecting against disruption to the existing operations of incumbent microwave licensees.

Respectfully submitted,

By  /s/ George Y. Wheeler
George Y. Wheeler

February 12, 1993

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CERTIFICATE OF SERVICE

I, Abbie Weiner, a secretary in the law firm of Koteen & Naftalin, do hereby certify that a copy of the foregoing "Reply Comments of Telephone & Data Systems", was sent by first class U.S. mail, postage prepaid, on this 12th day of February, 1993 to the offices of the following:

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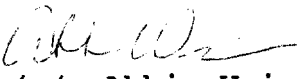
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By /s/ Abbie Weiner
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